

AF:AFS:LMDum:deh 7/10/59

(Drafting Office and Officer)

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Memorandum of Conversation

DATE: July 9, 1959

SUBJECT: Volta River Project

PARTICIPANTS: Mr. Chad Calhoun, Vice President, Kaiser Industries Corp  
Mr. C. Vaughan Ferguson, Jr., Director, AFS  
Mr. George Dolgin, Political-Economic Adviser, AFS  
Mr. L. Milner Dunn, Deputy Director, AFS

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IRC - 1

DEPARTMENT OF STATE A/CDC/MR  
DATE MAY 14 1982  
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Mr. Calhoun called to report on his June trip to Ghana during which he had discussed the Volta River Project with Prime Minister Nkrumah, Finance Minister Gbedemah, Economic Minister Botsio, and Mr. Jackson of the Development Commission. He said he had informed the Ghanaians that any prospective financing, whether private, IBRD, DIF, or a combination of the various sources, would be dependent upon a businesslike proposal from the Government of Ghana. He said he had stressed the need for an economic presentation, based on the Kaiser survey, of the electrical and aluminum output of the project especially to demonstrate that earnings over time would be sufficient to service any proposed borrowings. Although Kaiser Industries might easily undertake the preparation of such a presentation, because of the company's potential interest in constructing the project and in operating the aluminum plant and in marketing its production, he had recommended that some other concern be hired by the Government of Ghana to prepare such a study. Arrangements have been made by Ghana to obtain the services of Cooper Brothers (a London accounting firm favorably known to the Government of Ghana) for such a study which, in addition to covering the project, probably will include a general survey of Ghana's current and anticipated financial position. A meeting will be held in London the week of July 15 to discuss the matter with Cooper Brothers and will be attended by Mr. Calhoun. BECO302 BRANCH

Mr. Calhoun, in commenting on the arrangement whereby Mr. George Wood of the First Boston Corporation would act as an adviser to the Government of Ghana in reviewing Cooper Brothers' work and generally in preparing any application for financing the Volta Project, said Mr. Wood and First Boston had been long-time

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financial advisers to Kaiser dating from the days when others had turned down Kaiser's appeals for financial aid.

Mr. Calhoun stated that, following his conversation with Under Secretary Dillon (June 8, 1959), he had called informally at the Department of Justice, together with others including, he believed, Mr. Metzger of L/E, to discuss the anti-trust aspects of any joint company arrangements that might be made with Aluminium, Ltd., ALCOA, ALCAN, and Olin Mathieson. According to Mr. Calhoun, the Justice Department was concerned mainly about marketing arrangements and particularly as to any possible collusion on prices. He said that, as long as each company followed its own separate pricing policies, there probably would be no anti-trust problems. The Justice Department had asked to be kept fully informed of future developments.

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